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January 9, 1995

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

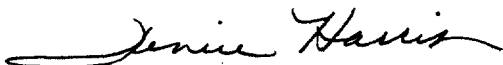
Dear Mr. Caton:

Re: *CC Docket No. 94-129, Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*

On behalf of Pacific Bell and Nevada Bell, please find enclosed an original and six copies of their "Comments" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me at 202-383-6430 should you have any questions or require additional information concerning this matter.

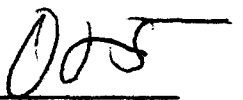
Sincerely,



Denice Harris

Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of

Policies and Rules Concerning Unauthorized
Changes of Consumers' Long Distance
Carriers

CC Docket No. 94-129

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COMMENTS OF PACIFIC BELL AND NEVADA BELL

Pacific Bell and Nevada Bell hereby comment on the Notice of Proposed Rulemaking ("NPRM") in the above-captioned proceeding regarding proposed rules to address the issue of unauthorized Primary Interexchange Carrier ("PIC") changes.¹

We strongly support the Commission's proposal to institute stringent requirements for letters of agency ("LOAs").² We have seen a great deal of abuse in the area of PIC changes. Since January 1994, we have responded to over 300 informal complaints that have been filed with the Commission on unauthorized PIC changes. But that is only the tip of the iceberg. On the average, we receive

¹ In the Matter of Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, CC Docket No. 94-129, Notice of Proposed Rulemaking, released November 10, 1994 ("NPRM").

² NPRM, Appendix A.

approximately 350,000 PIC changes from the interexchange carriers ("IECs") each month. Two to three percent of those changes generate complaints directly to our business offices which results in additional time and expense to resolve and/or process a PIC change.

We offer two additions to the Commission's proposal. One, we believe a monetary penalty should be imposed on IECs that evidence a pattern of abuse.

We propose that LECs file monthly reports with the Commission that list 1) total number of PIC changes per month, 2) number of carrier-initiated changes, and 3) number of complaints received. If the number of complaints for a particular carrier exceeds a certain percentage, for example, 2%, a monetary penalty should be imposed on the IEC. This procedure will ensure that the IEC has every incentive to report only authorized changes to the LEC. The LEC cost for such reporting would be covered in the switchback rate element.

Two, we do not think fund raising efforts should be permitted to be combined with PIC changes because the potential for abuse is so great. We are aware of situations where an IEC has told a charitable entity that if it is able to obtain consent for PIC changes, the charity will share in a percentage of the usage they bring to the IEC network. This type of procedure encourages the agent of the IEC to engage in heavy-handed behavior.

Finally, the Commission requests comment whether consumers should be liable for long distance telephone charges billed to them by the

unauthorized IEC and, if so, to what extent.³ This is a serious problem for both consumers and the LECs that are generally the point of contact on a complaint. The LECs are in a difficult position. We are faced with attempting to resolve a problem for which we had no hand in creating.

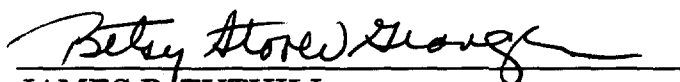
We would object to being the mandated “middleman” with a responsibility for administering and/or resolving this aspect of unauthorized PIC changes. Nevertheless, we are concerned about the problem and want to see it addressed. We think the issue must be addressed on an industry basis through a forum such as the Ordering and Billing Forum.

³ NPRM, para. 17.

In conclusion, we are pleased by the proactive role the Commission has taken with this NPRM. We respectfully request that the Commission act quickly so that consumers will benefit and we can devote less resources to these types of customer complaints.

Respectfully submitted,

PACIFIC BELL
NEVADA BELL



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Their Attorneys

Date: January 9, 1995